

Remarks as Prepared for Delivery

Thank you...It's an honor and a pleasure to be here this morning. I want to thank the Tempe Chamber of Commerce for once again making this event happen, especially Mary Ann Miller and Cathy Mayorga for all the hard work they put into this event's success every year.

I would also like to thank some other sponsors.

- Thank you to Dr. Chris Bustamante and Rio Salado College - and the Maricopa Community Colleges - for the use of this wonderful facility today. And Congratulations to you Dr. Bustamante on your appointment as interim president.
- And thank you to John Miller, U.S. Airways.
- Dick Foreman, Southwest Gas.
- Virgil Renzulli, Arizona State University.
- And Gus Miranda, State Farm Insurance.

Thank you all once again.

It has been a challenging year for everyone I know. But it has also a very inspiring one.

- I've been inspired by the generous outpouring of cash and manpower that our community has contributed to the people of Haiti. We may be weathering hard times ourselves, but we are still the greatest nation on Earth, and we are proving it once again.
- It has been exciting to watch Arizona's solar and green energy industry start to take off. Local companies like American Solar and First Solar have been bright spots in our economy, and I'm proud to have supported investments and incentives to help give this job-creating sector a push.
- It was also exciting to see Phoenix-Mesa Gateway Airport and Allegiant Airlines welcome their 1 millionth passenger a few weeks back. The airport is now generating more than \$534 million in annual economic activity and supporting 4,075 jobs in the region, and it's only going to grow.
- On another policy note, it was very gratifying to see the GI Bill that I sponsored in the House finally take effect. Thousands of young veterans here in Arizona were able to start, or add to, their educational experience beginning this past August. This is going to have a profoundly positive impact on their lives and on our economy.

But I think overall, it's fair to say that people are angry and very frustrated.

Everybody's frustrated. Democrats are frustrated because they feel like they can't get anything done. Republicans are frustrated that they are in the minority and can't get what they want done. Independents are angry because the changes they expected to see when they went to the polls have not come about. The President's supporters believe he hasn't been forceful enough or done enough...while others are angry and energized because they think that he and the Congress have over-reached and done too much.

I suppose you can say anger and frustration are bipartisan, since it's about the only thing folks can agree on right now.

As you know, most of my public service career has been with city government, which is non-partisan. It didn't matter who proposed an idea or solution, so long as you worked together and did what you needed to do to get things done.

That's where my frustration comes in. The political posturing, the bickering, the anger, the lack of civility; That is all extremely disappointing to me. I am as frustrated as you are. Both parties are guilty of this. But I went to Washington to work with both Republicans and Democrats to try and get things done. And regardless of the politics, that remains my goal for the coming year

All of the legislation that I have introduced has been with a Republican as a co-sponsor. Most recently, I have been proud to work this past year with Rep. Ron Paul of Texas to stop this year's Congressional pay raise.

If we are going to talk the talk of fiscal discipline, I believe we need to walk the walk of self-restraint. The American people aren't getting a pay raise. Their representatives in Congress shouldn't either.

The first two years I introduced this legislation, it didn't get very far. When that happened, I took my raises and gave them to local charities.

But last year, Rep. Paul and I worked hard and gathered more than 115 bi-partisan co-sponsors, and we built up a whole lot of momentum. I got a few nasty comments on the House floor about it. But more importantly, I got the attention of House Leadership.

The Speaker was forced to include our idea in the Fiscal Year 2010 budget bill, which stopped this year's raise.

Well - as you know - this is not a year in which Congress deserves a raise, either. So, Rep. Paul and I are back. Our bill to stop the Fiscal Year 2011 Congressional Pay Raise already has more than 100 bipartisan co-sponsors, as well as endorsements from the National Taxpayers Union and Citizens Against Government Waste, and I predict we will be successful again.

This is a year in which elected leaders have to get our priorities straight. The most important issue we face as a state and as a nation is strengthening our economy and creating jobs. This economic crisis has families worried about their financial future. Families have had to tighten their belts, and Congress must do the same.

I am committed to getting our economy moving again while making Washington more fiscally responsible and holding our government accountable for its spending.

Recent indicators have shown that our economy is turning a corner and is gaining a footing. For the first time in a year, our economy is showing signs of life. But, for too many small businesses and unemployed workers that's just not enough.

I understand that. But we must also remember what we were facing at this time last year. Our economy was on the verge of collapse. We had to take action and we did. Congress passed the American Recovery and Reinvestment Act, which prevented a recession from becoming a Depression.

I agree with Governor Brewer when she said that, without the direct aid to states to keep thousands of teachers and first responders in their jobs, and without the medical and economic aid to the unemployed, the situation in Arizona, as bad as it has been, would have been much worse. The last estimate I saw had the number of jobs saved or created in Arizona at 43,000.

Just as important, the Stimulus included tax relief for 95 percent of working families. Targeted tax credits for solar energy have had a noticeable impact on that industry, which is going to be huge for our state. And the \$8,000 first-time homebuyer's tax credit has had a positive impact on stabilizing our battered housing market. I fought to have that tax credit extended until this spring, and expanded so that all qualified home buyers could receive a credit, not just first-time home buyers. This has not only helped businesses, it has helped neighborhoods hold their

value because those tax credits are, by and large, reinvested in those properties.

Let me be clear, it hasn't been perfect. But there has been progress.

The Recovery Act did another thing that a lot of people may not know. It included over a billion dollars to help small businesses.

I held two workshops to try and help connect small business owners - or those that wanted to be - with the Small Business Administration and with tax experts to answer questions about how the Stimulus can help their businesses. The response was overwhelming. All told, we had more than 200 entrepreneurs and small business people attend the two events.

I will tell you today what I told those small business owners who showed up, because I sense the same thing as I look around this room. It is clear to me that the entrepreneurial spirit in Arizona is still strong.

I have met people from all across this district who have amazing ideas. They have creativity and ingenuity. And most importantly they have a willingness to work hard to succeed. That's terrific, because small business is the backbone of our economy, and it will be absolutely crucial to the recovery.

What those folks need most is an opportunity, an opening. Let me give you an example.

Several weeks ago I joined Vice President Biden at a roundtable in Phoenix with businesses that had benefited directly from the Stimulus bill. A young entrepreneur named Jason Blumenthal shared his story about how he created a new "green" business from an SBA loan.

Here was a gentleman who had been laid off and was looking for work. Jason saw an opportunity. And like so many other entrepreneurs, he recognized a need in the market.

By looking around this room, I guessing that not many of you have had to use a Laundromat lately. Maybe back in college, but not lately.

Let me tell you, today's Laundromats are not the model of efficiency that you might expect. By using an SBA loan, Jason was able to leverage a larger loan and start a new green laundry business. Today, "Blu Sudz" Laundromat is thriving while using high-efficiency washers and dryers to bring the art of fluff-and-fold into the 21st century.

This is exactly what SBA loans were designed for. By helping entrepreneurs like Jason, the SBA has turned 375 million stimulus dollars into over 16 billion dollars in funds for small businesses.

In addition to SBA loans, the stimulus included provisions to allow businesses to carry back their losses for the next five years, thereby reducing their tax burden this spring.

The stimulus also allows businesses to immediately write off 50 percent of the cost of capital investments put into service in 2009. These provisions encourage investment and growth.

Along with new businesses like Jason's come new jobs. And as all of you know, in order for an economic recovery to be fully realized, -- we need to create more jobs.

The federal government cannot create those jobs - but they can help to create an environment in which small businesses can succeed and thrive.

It is new companies like Jason's that are going to be the engines of job creation. Between 1980 and 2005, nearly all of the net job creation came from companies that were less than five years old.

That's a really powerful idea - Of the overall 12 million new jobs added in 2007, young businesses were responsible for nearly 8 million of those jobs.

But I am under no illusion that government alone can solve this economic crisis. We know that there aren't enough public dollars to solve this problem - and even if there were, it wouldn't be the key to a strong and meaningful long-term recovery. Government certainly has a role to play - and in some cases, the role is just getting out of the way. But ultimately it will be people like you who will be the true engines of our economic recovery.

I am confident that the brain power and ingenuity of this District will help pull us out of this downturn. But Congress needs to make some changes to help the nation as a whole get this recovery right.

For example...there are two issues that have disappointed me the most, not only this year, but since I got to Congress three years ago. I am talking about amount of spending and debt that Congress has run up by both parties. This is a tremendous concern.

It's one thing to support a stimulus package that injects funds into the economy through tax cuts, aid to local cities and fast-tracking vital infrastructure projects -- or to push through an emergency financial rescue like "TARP." President Bush and Secretary Paulson sought, and gained, bipartisan support for that action because, as I said earlier, our economy was in danger of collapse.

We helped avert an economic disaster. But actions like that must be coupled with fiscal discipline elsewhere.

Unfortunately that discipline has been in short supply. I am frustrated, and I have expressed that frustration in the best way that a member of Congress can, including often voting against my party. I have voted against the past three Democratic budgets. I voted against an additional \$200 billion in spending in the Fiscal Year 2010 appropriations bills. I voted against releasing \$350 billion of TARP bank bailout funds because I was concerned by the lack of oversight. I opposed the auto bailout, as well as recent attempts to raise the debt ceiling.

Additionally, I have cosponsored the SAFE Commission Act, which sets up a 9/11-style commission to reform the nation's spending and examine ways to reduce the debt. And most recently, I cosponsored a bill to use TARP revenue to pay down the national debt and urged

the President to commit using any leftover TARP funds, as well as any revenue made from interest payments, to pay down the deficit - not for additional spending. In my view these are emergency funds for an emergency purpose. They cannot, and should not, be used for more spending.

The Stock Market has had some corrections and choppiness lately, but overall it was a strong year for investors. That means a lot of people in the middle class who saw their 401ks and retirement accounts drained, got some of that value back.

That's good. But we still need a fair and predictable tax structure that encourages investment and doesn't throw cold water on the recovery. I have been pushing a bi-partisan bill to permanently extend the Bush-era cuts to estate and capital gains taxes, which are set to expire this year.

Raising capital gains taxes discourages investment, and raising the estate tax hurts families who own homes and small businesses. That just doesn't make sense, especially not right now.

A year ago, I introduced the Capitol Gains and Estate Tax Relief Act of 2009 along with Rep. Mark Kirk, a Republican from Illinois. Our bill permanently reduces the capital gains tax to 15 percent, and will prevent a 33-percent increase if the cuts are allowed to expire.

I've been talking about this since I got to Congress. But until recently, it has been a little like banging my head against a wall. Some of my Democratic colleagues just couldn't bring themselves to concede that any of the Bush tax cuts had any merit. They wanted to view everything through a partisan lens. I couldn't disagree more with that kind of thinking.

The good news is, at least now -- with the expiration of these tax cuts drawing near -- I think more and more of my Democratic colleagues are starting to take a fresh look at these ideas. It even got the attention of the Wall Street Journal Editorial Board this week. That's pretty rare for a Democrat.

I don't want to get off track here. But I knew I was coming here this morning, and so I was thinking a lot about our local community. I was thinking about the great strides we have made as a community in spite of any challenges we have faced. And I was thinking about the many, many, unsung individuals who put so much of their lives into ensuring and maintaining that success and that quality of life. And I thought about how grateful I am, just as a lifelong resident, for what they have done.

Well, we lost one of those people recently.

I think most everybody here knew Mary O'Connor in one capacity or another. I saw many of you at her service on Saturday, and I know that you miss her as much as I do.

Mary was a visionary in her leadership of both the Tempe and Scottsdale transit departments. And she was one of the main reasons why the public transportation system in our community has always been several steps ahead of the rest of the Valley.

Before Mary O'Connor, there was no light rail; no Orbit busses; no busses on most arterial streets; no bicycle paths; no alternative-fueled municipal vehicles; and no land-use planning incorporating transportation concerns. And Mary pushed for these changes at a time when the Valley was strongly anti-transit. Many thought transit was a conspiracy to socialize our world by dictating to people how they should live their lives... sort of like health care.

Speaking of that...Let's talk about healthcare reform.

I voted to move healthcare reform through the House because I believe that, if we worked together we could come up with something that could help lower costs and that could provide coverage for Americans that didn't have it.

I believe the bill I voted on contained significant improvements from the bill first circulated over the summer, in no small part due to feedback from folks here in the Valley and across the country. I believe - and so does the AARP - that the bill would strengthen and preserve Medicare.

I am on Medicare. That's my health insurance. That's my wife's insurance, and my brother's. If I thought that benefits would be negatively impacted, I wouldn't support it.

But this was not a perfect bill, no bill ever is. The political way out would be a vote to do nothing. But playing it safe, which I could have done, is why big problems -- like healthcare and immigration reform -- have yet to be tackled. I've met too many people out there who have been denied coverage for pre-existing conditions, or whose premiums make the health insurance they have basically inaccessible. I also met with many small business owners who,

because of rising premiums, were losing money, losing employees, and losing their competitive edge.

I've also heard very valid complaints, from those who have insurance. They are sick and tired of paying a "hidden tax" in the form of higher premiums to cover the cost of those who refuse to purchase insurance, get treated in our emergency rooms, and don't pay.

While I share concerns about the Senate-passed version...the backroom deals...and its fiscal impact on states like Arizona, I'm not sure what's going to happen with it now. But I know that the status quo is not working.

I don't know what religion you all are, but when I was growing up, I was taught from the Book of Matthew that "what you do unto the least of my brothers, you do unto me."

I think that the goal of reducing costs and trying to help millions of Americans gain and retain access to healthcare -- which I equate with basic human dignity -- is a good one. There are opponents of reform who say they share that same goal. I hope they are sincere in that because neither party has an exclusive market on good ideas. I'm committed to working with Republicans and Democrats on this because we cannot afford to put it aside for another 10 or 20 years.

Most of you who know me, know that I have spent my whole life in this District. Marianne and I have lived in the same house for 45 years. And until three years ago, when I was first elected, I think had seen snow maybe three times in my life.

This has always been my home. And I am committed to seeing this District get back on its feet. I am back every weekend, speaking with constituents and working with you to make sure you have an opportunity to succeed.

Like I've said before, no one party has an exclusive market on good ideas. Both parties -- including the leadership of my own -- need to do better to incorporate ideas from both sides of the aisle into workable solutions. I have a record of doing exactly that.

That's where my focus will be. I'm going to continue visiting businesses throughout this district,

connecting them with resources to help them grow and succeed. I'll keep talking to entrepreneurs and taking their ideas and feedback back to Washington as we work our way out of this crisis.

It took a long time to get into this mess, and getting out won't happen over night. But, as I said at this event last year, the Arizona Fifth Congressional District is home to the best and the brightest that our state has to offer. Together we will lead our state out of this downturn.

Thank you again. I'd be glad to answer some questions.